

TOWN OF ADDISON, TEXAS

ORDINANCE NO. 002-024

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS DENYING TXU GAS DISTRIBUTION'S REQUEST TO CHANGE RATES IN THE NORTH TEXAS METROPLEX DISTRIBUTION SYSTEM; REQUIRING PROMPT REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on or about March 1, 2002, TXU Gas Distribution, a division of TXU Gas Company filed with the Town of Addison, Texas (the "City") a Statement of Intent to change gas rates in all municipalities within the North Texas Metroplex Distribution System effective April 5, 2002; and

WHEREAS, the City suspended the effective date of the proposed new rates for 90 days to evaluate the reasonableness of existing rates and the merits of TXU's proposed changes; and

WHEREAS, the City participated with a coalition of other municipalities in a comprehensive review of TXU Gas Distribution's application; and

WHEREAS, consultants and counsel retained by the coalition of cities have recommended denial of the Company's application based upon a report from consultants demonstrating that the revenue requirement of the North Texas Metroplex Distribution System is being met under current rates; and

WHEREAS, that recommendation has been endorsed by the Steering Committee of city representatives who has coordinated the review of TXU Gas Distribution's rate application; and

WHEREAS, the Gas Utilities Regulatory Act provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

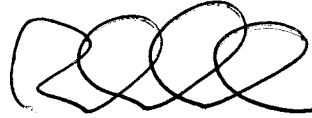
Section 2. The TXU Gas Distribution's Statement of Intent to change gas rates within the North Texas Metroplex Distribution System dated _____, 2002 be in all respects denied.

Section 3. The costs incurred by cities (including the Town of Addison) in reviewing TXU's application be promptly reimbursed by the Company.

Section 4. The City Manager is hereby directed to send a copy of this Ordinance constituting final action on TXU's application to Autry Warren, Rates Manager, TXU Gas Distribution, 1601 Bryan Street, Dallas, TX 75201-3402.

Section 5. This Ordinance shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 25th day of June, 2002.

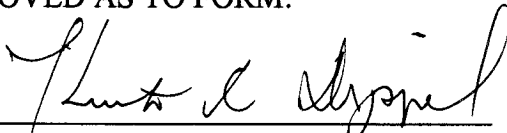


R. Scott Wheeler, Mayor

ATTEST:

By: 
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: 
Ken Dippel, City Attorney

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